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Comments OF THE

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CHIEF OF THE BUREAU OF INSULAR AFFAIRS

TO THE

SECRETARY OF WAR.

OCTOBER 30, 1902.

WASHINGTON:
GOVERNMENT PRINTING OFFICE.
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WASHINGTON, D. C., *October 30, 1902.*

SIR: I have the honor to submit the following annual report of the Bureau of Insular Affairs:

The report of the Secretary of War, dated November 27, 1901, contains the following statement of the conditions necessitating the creation of this Bureau:

General policy of Government.—The policy followed by the American Executive in dealing with the government of the Philippines (and also in dealing with the government of the other islands ceded or yielded by Spain which have been under the control of the War Department) has been to determine and prescribe the framework of insular government; to lay down the rules of policy to be followed upon the great questions of government as they are foreseen or arise; to obtain the best and ablest men possible for insular officers; to distribute and define their powers; and then to hold them responsible for the conduct of government in the islands with the least possible interference from Washington.

Notwithstanding a rigid adherence to this policy, and consistently with it, the demands upon the Department for action in the vast and complicated business in the island governments have been constant and imperative. Different civilizations, different systems of law and procedure, and different modes of thought brought into contact have evolved a great crowd of difficult questions for determination. New facts ascertained and changed conditions have called for the interpretation and application of our own rules of policy and the establishment of further rules. Different views as to the scope of authority under the distribution of powers have required reconciliation. The application of the law of military occupation to rights and practices existing under the laws of Spain and the process of overturning inveterate wrongs have brought about frequent appeals to the highest authority, which, being made in the name of justice, have required consideration. The work undertaken has been the building up of government from the foundation upon unfamiliar ground. We have had no precedents, save the simple and meager proceedings under the occupation of California and New Mexico, more than half a century ago, and it has been necessary to decide every question upon its own merits and to make our own precedents for the future.

For the performance of all these duties full and accurate knowledge of the conditions and proceedings of all the governments in all the islands on the part of the authorities in Washington has been required. It has been necessary to follow them step by step. The President and Congress have looked to the War Department for information as to how the trust of government in the various islands was being performed, and tens of thousands of applications by the people of the United States for every conceivable kind of information regarding the islands have poured into the Department in an uninterrupted stream.

Only thorough system could arrange, record, and keep available for use the vast and heterogeneous mass of reports and letters and documents which this business has involved, furnish answers to the questions, conduct the correspondence, and

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keep the Secretary of War from being overwhelmed in hopeless confusion. The War Department had no machinery for the purpose. No provision for any such administrative machine was made by law. Of necessity, by the detail of officers and the employment of the temporary clerks authorized by law, such machinery has been created in the Department with a chief, an assistant chief, a law officer, a competent force of translators, accountants, stenographers, and recording and indexing and copying clerks. It is called the *Division of Insular Affairs of the War Department*, and it performs with admirable and constantly increasing efficiency the great variety of duties which in other countries would be described as belonging to a colonial office, and would be performed by a much more pretentious establishment.

This quotation was followed by a recommendation which resulted in the following enactment of "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," approved July 1, 1902.

SEC. 87. That the Division of Insular Affairs of the War Department, organized by the Secretary of War, is hereby continued until otherwise provided, and shall hereafter be known as the Bureau of Insular Affairs of the War Department. The business assigned to said Bureau shall embrace all matters pertaining to civil government in the island possessions of the United States subject to the jurisdiction of the War Department; and the Secretary of War is hereby authorized to detail an officer of the Army whom he may consider especially well qualified, to act under the authority of the Secretary of War as the chief of said Bureau; and said officer while acting under said detail shall have the rank, pay, and allowances of a colonel.

The Division of Insular Affairs, therefore, on July 1, 1902, became the Bureau of Insular Affairs of the War Department, and the Secretary of War pursuant to the above authority detailed the undersigned as chief.

ORGANIZATION.

The Bureau is divided into the following divisions: Law officer, Correspondence, Records, Disbursing and Accounting, Compilation, Statistical (commerce and immigration), Philippine insurgent records and captured documents compilation.

PERSONNEL.

[Permanent force.]

One army officer, chief of Bureau; one law officer; one assistant to the chief, and the following clerks:

Class V (chief clerk)	1
Class IV (clerks)	5
Class III (clerks)	5
Class II (clerks)	7
Class I (clerks)	11
Class E (clerks)	10
Class D (clerks)	11
Class C (clerks)	3
	— 53
Messengers	6
Laborers	2
	— 8

Total number of permanent employees..... 61

Congress had shown a desire to have complete and up-to-date information on the receipts and expenditures in Cuba and in the Philippines, a work of such magnitude as to require considerable extra force for the preparation of the same.

The following item is contained in the general deficiency bill, which became a law July 1, 1902:

To enable the Secretary of War to employ temporary force and to pay all necessary expenses, including rent of rooms, not to exceed one thousand five hundred dollars, in compiling for the information of Congress a detailed statement of the receipts and expenditures by the military government of Cuba since May first, nineteen hundred, in continuation and completion of the statements heretofore furnished of such receipts and expenditures covering the period from the beginning of American occupation to and including April thirtieth, nineteen hundred; and to enable the Secretary of War to pay all necessary expenses in compiling for the information of Congress a similar statement relating to the Philippine Islands of all receipts and expenditures from the date of American occupation, thirty thousand dollars, or so much thereof as may be necessary, to be available until expended.

Pursuant to this authority a temporary force consisting of 33 employees was located in the building, corner of Eighteenth and F streets, to which building the Statistical Division, and the Accounts Branch and Map Section were moved, thus relieving the unsanitarily overcrowded rooms in the War Department.

INFORMATION FOR CONGRESS.

During the first session of the Fifty-seventh Congress the attention of that body was largely devoted to Philippine legislation, resulting in the act of March 8, 1902, "An act temporarily to provide revenue for the Philippine Islands, and for other purposes," which ratified and confirmed, without criticism of any schedule, the Philippine tariff, revised by the Secretary of War and enacted into law by the Philippine Commission, also the bill entitled "An act temporarily to provide for the administration of the affairs of civil government in the Philippine Islands, and for other purposes," approved July 1, 1902.

Here should be mentioned the fact that the Philippine Committee of the Senate held hearings from January 21 to June 28, 1902.

In anticipation of approaching close of American occupation in Cuba, the proposed reciprocal trade relations between that country and the United States were given much consideration by Congress.

Thus was created a large and constant demand on this Bureau for information on the Philippines and Cuba, first, on the part of Congress by resolutions on the Secretary of War, which were referred to this Bureau for initial preparation, and second, by Congressional committees, the press, and the public in general.

The Congressional resolutions and documents illustrating this demand for information follow:

GAZETTEER OF THE PHILIPPINE ISLANDS.

The following concurrent resolution passed the Senate January 22, 1902:

Resolved by the Senate (the House of Representatives concurring), That there be printed and bound in cloth 4,000 copies of the Gazetteer of the Philippine Islands, 1,000 copies for the use of the Senate, 2,000 for the use of the House of Representatives, and 1,000 copies for the use of the War Department.

With the exception of an appendix the Gazetteer is now ready for distribution. The delay in its printing, caused by the time occupied in the reproduction of maps and illustrations as well as in the composition, gave this office the chance to embody therein the constant changes

in and additions to the data up to and including the important date of July 4, 1902, upon which day the President's proclamation of amnesty and complete transfer of government from the military to the civil obtained. In fact, certain portions of the Gazetteer have been brought up to include October 30, 1902.

The aim of this work was described in the last annual report of this Bureau, which only claims for this Gazetteer that it is the best digest of information available, and at least that it will furnish a basis upon which a second edition can be made a most accurate work. Mr. de B. R. Keim, who has been in special charge of this work, is entitled to commendation for his indefatigable industry in its compilation.

BIBLIOGRAPHY OF THE PHILIPPINE ISLANDS.

This bibliography will be printed in a separate volume of probably over 600 pages as an appendix to the Gazetteer, to which it properly belongs.

Appreciating the need of such a work throughout the United States, it was inaugurated about the same time as the Gazetteer, some two years ago, in the hope that a list of books could be printed to aid in answering the thousand and one requests for information on the Philippines, about which country so little was then known in the United States.

With surprise it was soon realized that the bibliography was much greater than at first anticipated, and that the work, to be of real worth, should be complete and comprehensively arranged. The cooperation of the Librarian of Congress was therefore sought, not only by reason of his more numerous sources of information, but also that the expert bibliographer in the Congressional Library should arrange the combined work of both offices. Hearty cooperation was not only promised but given. The volume has been completed and sent to the Public Printer.

Most fortunately, through the courtesy of Hon. Pardo de Tavera, one of the Philippine Commissioners, who devoted many years to the compilation of a bibliography of the Philippines, both in Europe and Manila, his valuable collection of manuscripts and files was acquired for publication in a separate chapter of this work.

The complete bibliography contains over 7,000 titles, and is believed to be a valuable work.

From the number of requests already on hand it is recommended that Congress largely increase the present edition, which it is believed will be entirely inadequate.

NOVEMBER 27, 1901.

HOUSE.

This Bureau prepared for publication and indexed the report for 1901 of the Philippine Commission, which was submitted as an appendix to the report of the Secretary of War of last year, and was published as part of House Doc. No. 2, Fifty-seventh Congress, first session.

FEBRUARY 26, 1901.

SENATE.

Resolved, That the Secretary of War be directed to send to the Senate an English translation of the proceedings of the constitutional convention of the island of Cuba, as contained in the "Diario de Sesiones."

Answered March 31, 1902, inclosing about 3,000 pages of English translation. Two translators were engaged eight months on this work.

DECEMBER 16, 1901.

SENATE.

Resolved, That the Secretary of War be, and he is hereby, directed to transmit to the Senate, at his earliest convenience, complete schedules of the customs tariffs enacted by the Taft Commission and heretofore enforced in the island of Luzon, Philippine Islands.

Answered January 15, 1902.

JANUARY 22, 1902.

SENATE.

Resolved, That the Secretary of War be, and he is hereby, directed to transmit to the Senate copies of all suggestions, statements, criticisms, and correspondence between the War Department or any official thereof and any person or corporation relating to the customs tariff affecting the Philippine Islands which culminated in the tariff adopted by the Philippine Commission September seventeenth, nineteen hundred and one.

Reply February 4, 1902, published as Senate Doc. No. 171, Fifty-seventh Congress, first session.

SENATE.

A full memorandum relating to the tariff for the Philippine Islands was furnished by direction of the Philippine Committee of the Senate, and published as Senate Doc. No. 134, Fifty-seventh Congress, first session.

JANUARY 31, 1902.

SENATE.

Resolved, That the Secretary of War is directed to inform the Senate if the following has been passed by the Philippine Commission and is being enforced as a law in said islands and persons punished thereunder, and the date of the promulgation of such order, namely:

[No. 292. By the United States Philippine Commission.]

Sec. 2. Every person owing allegiance to the United States or the government of the Philippine Islands and having knowledge of any treason against them or either of them, who conceals, and does not, as soon as may be, disclose and make known the same to the provincial governor in the province in which he resides or to the civil governor of the islands, or to some judge of a court of record, is guilty of misprision of treason and shall be imprisoned not more than seven years and be fined not more than one thousand dollars.

Sec. 8. Every person who shall utter seditious words or speeches, write, publish, or circulate scurrilous libels against the Government of the United States or the insular government of the Philippine Islands, or shall tend to disturb or obstruct any lawful officer in executing his office, or which tend to instigate others to cabal or meet together for unlawful purposes, or which suggest or incite rebellious conspiracies or riots, or which tend to stir up the people against the lawful authorities or to disturb the peace of the community, the safety and order of the government, or who shall knowingly conceal such evil practices, shall be punished by a fine not exceeding two thousand dollars or by imprisonment not exceeding two years, or both, in the discretion of the court.

Sec. 9. All persons who shall meet together for the purpose of forming, or who shall form any secret society, or who shall after the passage of this act continue membership in a society already formed having for its object, in whole or in part, the promotion of treason, rebellion, or sedition, or the promulgation of any political opinion or policy, shall be punished by a fine not exceeding one thousand dollars, or by imprisonment not exceeding one year, or both.

Sec. 10. Until it has been officially proclaimed that a state of war or insurrection against the authority or sovereignty of the United States no longer exists in the Philippine Islands, it shall be unlawful for any person to advocate orally, or by writing or printing or like methods, the independence of the Philippine Islands or their separation from the United States, whether by peaceable or forcible means, or to

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print, publish, or circulate any handbill, newspaper, or other publication advocating such independence or separation.

Any person violating the provisions of this section shall be punished by a fine not exceeding two thousand dollars and imprisonment not exceeding one year.

Answered February 4, 1902. Printed as Senate Doc. No. 172, Fifty-seventh Congress, first session.

SENATE.

Charles E. Magoon, law officer of this Bureau, on February 7, 1902, made a report on the subject-matter of above resolution, which was printed as Senate Doc. No. 173, Fifty-seventh Congress, first session.

FEBRUARY 13, 1902.

SENATE.

Resolved, That the Secretary of War be, and he hereby is, directed to inform the Senate what railroads, if any, are now being built in the island of Cuba, by whom, and under what authority of law.

Also what permission, if any, has been given by the military authorities of the United States in the island of Cuba for the building of any railroad, public or private, and under what provision of law such permission has been granted.

Answered March 12, 1902, and printed as Senate Doc. No. 246, Fifty-seventh Congress, first session.

FEBRUARY 24, 1902.

HOUSE.

Resolved, That the Secretary of War be, and he is hereby, requested to furnish the House of Representatives such information concerning the number of acres of land in Cuba purchased by nonresidents of the island since the date of American occupation as is shown by the reports to and the records of his Department and by the records of the military government of the island of Cuba, giving the consideration, the names and places of residence of purchasers as shown by the recorded instrument of conveyance, and also the number of acres contained in each tract so conveyed; also the acreage of cultivated sugar land in the island of Cuba now owned by citizens of the United States and also by citizens of other countries foreign to Cuba.

Official copy indorsed February 25, 1902, to the military governor of Cuba for report. March 4, 1902, the military governor of Cuba replied, saying the information would be gathered as rapidly as possible, but it would require searching of each and every register of property in the island, which would require probably three or four months. Copy of above reply was sent to the Speaker of the House March 28, 1902, and was printed as House Doc. No. 529, Fifty-seventh Congress, first session.

Full information as to the number of acres of land cultivated in sugar cane in the fiscal zones of Santiago de Cuba, Holguín, Cárdenas, Puerto Príncipe, and Cienfuegos was, as promised, transmitted from Cuba as soon as collated; is now translated and compiled, and will be transmitted to the House on the opening of next session. At the request of the chairman of the Committee on Relations with Cuba, copies of these reports have already been furnished him.

MARCH 18, 1902.

SENATE.

Resolved, That the Secretary of the Interior is directed to send to the Senate a statement of the traffic relations between the railroads that connect with the waters of the Pacific Ocean and the Government of the United States, with a reference to the statutes upon which such relations have been conducted; and that the *Secretary*

of War is directed to send to the Senate a statement of the legal and traffic relations between the railroads in the Philippine Islands and as to the charters and ownership of such railroads.

Reply, April 3, 1902, and printed as Senate Doc. No. 283, Fifty-seventh Congress, first session.

MARCH 26, 1902.

SENATE.

Resolved, That the Secretary of War be, and he is hereby, directed to communicate to the Senate copies of all papers and correspondence, arranged in chronological order, relating to the claims of Herrera's Nephews for the detention and use of their steamship *San Juan*, and of Gallego, Mesa & Company for the detention and use of their steamship *Tomás Brooks*, and the occupation and use of their wharves and warehouses by the military authorities of the United States at Santiago de Cuba in the years eighteen hundred and ninety-eight and eighteen hundred and ninety-nine.

Answered April 22, 1902, and printed as Senate Doc. No. 318, Fifty-seventh Congress, first session.

APRIL 11, 1902.

SENATE.

The Senate Committee on Philippine Affairs called for and published the report of Charles E. Magoon, law officer of this Bureau, on the application of Clemencia Lopez to the President for the release of her three brothers from the arrest and confinement ordered by Brigadier-General Bell, commanding the United States military forces in Batangas (see pp. 2589 et seq., Senate Doc. 331, Fifty-seventh Congress, first session).

APRIL 17, 1902.

SENATE.

Resolved, That the Secretary of War be, and he is hereby, directed to send to the Senate the following:

1. A statement of the amount of money paid by the United States for or on account of the Philippine Commission to the date when such expenses were paid out of the Philippine treasury.

2. A statement of the amount of money paid by the United States for or on account of railroad transportation for troops to and from the Philippine Islands since the ratification of the treaty of peace between the United States and Spain, and the several railway companies to which it was paid and the sums paid each of them.

3. A statement of the amount of money expended, and the amount, as far as he is able to state the same, for which the Government of the United States is liable, remaining unpaid for equipment, supplies, and military operations in the Philippine Islands each year from May first, eighteen hundred and ninety-eight, to the present time.

Reply published June 20, 1902, as Senate Doc. No. 416, Fifty-seventh Congress, first session.

APRIL 26, 1902.

SENATE.

April 19, 1902.—Submitted by Mr. Teller and referred to the Committee on Relations with Cuba.

April 25, 1902.—Reported and referred to the Committee to Audit and Control the Contingent Expenses of the Senate.

April 26, 1902.—Reported, considered, amended, and agreed to, as follows:

Whereas it has been currently reported that nearly the entire crop of Cuban sugar has been purchased and is now held by what is generally known as the "Sugar Trust," which is the principal consumer of raw sugar in the United States, and that any concessions given to the raisers of cane sugar in the island of Cuba or any measures intended for their relief by admitting their sugar at reduced rates of duty into

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the United States will only benefit said sugar trust, and that the Cubans will receive no real benefit from such real concessions; and

Whereas it is alleged that a large number of citizens of the United States have acquired large holdings of cane-producing lands in Cuba, and are now especially urging the reduction of duty on sugar under the claim that such reduction will benefit the people of Cuba: Therefore be it

Resolved, That the Committee on Relations with Cuba be, and is hereby, directed to make an investigation as to the truth of said charges and to report to the Senate.

That for the purpose of carrying out the above resolution the committee be, and hereby is, authorized to send for persons and papers, administer oaths, take testimony, employ a stenographer, and that the expenses of the investigation be paid from the contingent fund of the Senate upon vouchers approved by the Committee to Audit and Control the Contingent Expenses of the Senate. The committee is authorized to sit during the sessions of the Senate, and also to print from time to time its hearings.

The chairman of the Senate Committee on Relations with Cuba called on the Secretary of War for information under above resolution, which was forwarded to that committee in letters of May 8, 9, and 16, June 23, August 6, and September 2.

MAY 27, 1902.

SENATE.

Resolved, That the President be requested, if not in his opinion incompatible with the public interest, to inform the Senate whether there be any law or regulation in force in the Philippine Islands which will prevent any native of those islands who may so desire, not under arrest and against whom no charge of any offense against the United States is pending, from coming to the United States and stating his views or desires as to the interest of his people to the President or either House of Congress.

Answered May 20, 1902. Printed as Senate Doc. No. 390, Fifty-seventh Congress, first session.

MAY 29, 1902.

SENATE.

The Secretary of War sent to the Senate a statement of public civil revenues and expenditures therefrom in the Philippine Archipelago, from the date of American occupation, August 20, 1898, to June 30, 1901, showing the revenues for each of the fiscal years by items and places of assessment, and separately the expenditures in the several custom-houses; the postal expenditures, the expenditures by the auditor and the treasurer, and by captains of ports, and the general expenditures under civil headings, as classified by the auditor for the Archipelago.

This statement was prepared by the Insular Division of the War Department from certificates of the several accounts of the collectors and disbursing officers, and represents the fiscal affairs as settled by the auditor to June 30, 1901.

Printed as Senate Doc. No. 382, Fifty-seventh Congress, first session.

JUNE 14, 1902.

SENATE.

May 26, 1900, the following resolution was passed by the Senate of the United States:

IN THE SENATE OF THE UNITED STATES,
May 26, 1900.

Resolved, That the Committee on Relations with Cuba is hereby directed to investigate and report to the Senate as early as practicable regarding the moneys received and expended in the island of Cuba by, through, and under the officials and representatives of the United States, both civil and military, and from the date of the occupation of Cuba by the military forces of the United States until and including the thirtieth day of April, nineteen hundred.

Said committee shall investigate and report as to receipts as follows: From customs; from postal service; from internal revenue; from all other sources, specifying the details as far as practicable, and particularly the places where and dates within which said amounts were collected or received, and the officer or officers collecting and receiving the same, as well as the law or authority under which said amounts were in each instance so collected or received.

Said committee shall investigate and report as to the expenditures of the said amounts so received, the necessity and propriety thereof, specifying in classes and in detail, so far as practicable, said expenditures, and particularly the work, services, or property for which said expenditures were made and the value thereof, also the law or authority under which each of said expenditures was made, the officer, civil or military, by whom said expenditure was authorized, and the officer, civil or military, by whom said expenditure was made, and the particular fund from which the money was taken for said expenditure.

Said committee shall also report a statement of all public works of every kind, including buildings, wharves, railroads, and all other structures built or constructed, improved, repaired, or decorated by or under the authority of any such officer, civil or military, and in each instance the cost, value, necessity, and propriety of the same, and the uses to which said buildings or structures have been put. Where said buildings and works were constructed or improvements were made by contract, or where the material used in the same was furnished by contract, the committee shall report copies of each of said contracts and the names of all parties interested in each of the same.

Said committee shall also report a statement of the personal property which was purchased or procured and intrusted to any officer, civil or military, in Cuba within said time, the cost and value of the same, and the uses to which said property has been put and the disposition which has been made thereof.

Said committee is authorized to conduct said investigation and make such report by subcommittee or committees appointed by the chairman; and the committee, or any subcommittee thereof, is authorized to sit during the recess of Congress at such place or places in the United States or Cuba as may be necessary; and is empowered to send for persons and papers, issue subpoenas, administer oaths, examine witnesses, employ stenographers, expert accountants, and other necessary assistance, and the expense of said investigation shall be paid out of the contingent fund of the Senate upon vouchers approved by the chairman of the committee.

In compliance with this, the "Bacon," resolution, 5,300 pages of type-written matter were compiled in this Bureau and published as Senate Doc. No. 177, Fifty-sixth Congress, first session.

On the above date, June 14, 1902, the Secretary of War furnished the Senate Committee on Relations with Cuba further reports, comprising 555 more pages, which had been compiled in this Bureau, and which embraced transactions in May and June, 1900, and supplementary accounts from the date of American occupation to June 30, 1900.

The last reports transmitted are published in Senate Doc. No. 448, Fifty-seventh Congress, first session.

In addition there have been tabulated and now ready for transmittal to Congress, pursuant to the provisions of the section of the deficiency bill quoted in the first part of this report, 8,000 large sheets of type-written matter embracing the period from July 1, 1900, to May 19, 1902, the close of American occupation in Cuba.

JUNE 23, 1902.

HOUSE.

Resolved, That the Secretary of War be, and he is hereby, directed to furnish to the House of Representatives, if not incompatible with the public interests, the following information: What amounts, if any, have been paid out of the Cuban treasury or the funds of the Cuban people by the military governor of Cuba, or by his direction, or by any officer of the United States, while the forces of the United States occupied Cuba, to F. B. Thurber, president of the United States Export Association, or any other person or persons, corporation or association, for advocating a reduction in the duties upon Cuban products with a reciprocal reduction in the duties upon American products imported into Cuba, or for services in support of the application of the inhabitants of the island of Cuba for reciprocal relations with the United States; also the date or dates of any of such payments.

Reply, July 1, 1902. Printed as House Doc. No. 679, Fifty-seventh Congress, first session.

The following executive documents have been published by this office during the past year:

EXECUTIVE DOCUMENTS.

“Public Laws and Resolutions Passed by the United States Philippine Commission.”

Copies of all acts and resolutions are certified to this office in English, Spanish, and Tagalo. All copies received in English up to the date of the report of the Secretary of War, which included act No. 263, were compiled, indexed, and published as a separate volume for distribution throughout the United States. The same compilation has been made this year, which includes everything from act No. 263 to No. 424, and is now ready for publication as an appendix to the coming report of the Secretary of War.

“The Law of Civil Government under Military Occupation.”

Pursuant to direction of October 30, 1901, the reports made to the Secretary of War by Charles E. Magoon, law officer of this Bureau, on the various questions of law arising during the administration of the affairs of civil government under military occupation of the islands ceded or yielded by Spain as a result of the Spanish-American war, have been compiled and published in book form, making a volume of 808 pages. The demand for this publication was so great that two editions were exhausted within a few days after coming from the press. This work has received universal commendation from the press and public without regard to party affiliation or personal views on the course pursued by the War Department in matters pertaining to insular affairs. It was the subject of editorial comment in nearly all the leading metropolitan journals, was reviewed in a large number of literary magazines, religious periodicals, and legal publications, and is already cited with approval in two text-books on constitutional law. The Review of Reviews in a recent article referred to this work as follows:

Nothing could illustrate better than this volume the vast number of intricate questions that have arisen in the course of our conduct of affairs in the islands formerly belonging to Spain, nor could anything throw more light upon the care with which the War Department has studied all the principles and precedents of constitutional and international law in its treatment of every issue that has arisen. It is a veritable mine of information relating to historical, legal, and administrative phases of the military occupation and management of conquered or ceded territory.

The New York Independent said:

This book will remain a lasting monument to the admirable administration of the War Office by Secretary Root during a period in which its administration was involved in especial difficulty.

Requests for this publication continue to be received daily. There are no funds available from the regular appropriations for a third edition, and will not be until July 1, 1903. I therefore recommend that Congress be requested to authorize a third edition of 5,000 copies, 1,000 to be for the use of the War Department.

“Official Register of Officers and Employees in the Civil Service of the Philippine Islands, January 1, 1902.”

“The Isle of Pines (Caribbean Sea), Its Situation, Physical Features, Inhabitants, Resources, and Industries. With maps. Prepared in the Bureau of Insular Affairs.”

"Report on the Right of the Government, Philippine Islands, to Regulate Commercial Intercourse with the Archipelago, and, as an Incident to such Regulation, to Impose Import and Export Duties. By Charles E. Magoon, law officer, Division of Insular Affairs, November 18, 1901."

A number of suits have been instituted in the Federal courts of the United States seeking to recover from the Federal Government of the United States the amount paid to the government of the Philippine Islands as customs duties on articles imported into the Philippine Islands from the States of the Union. The Department of Justice being required to defend the interests of the Federal Government in these actions, called upon this Bureau to provide such information as it possessed or could secure which would be of service in said defense. In response, the law officer of the Bureau prepared the above report, which was transmitted to the Department of Justice by the Secretary of War and printed as a War Department publication. The Bureau, in conjunction with the office of the Judge-Advocate-General, U. S. Army, also prepared and transmitted to the Department of Justice a memorandum setting forth the facts establishing that the condition of war existed in the Philippine Islands during the period in which the litigated payments were made. The Bureau has undertaken, also, to collect evidence in the Philippines for the use of the Government in said suits.

"Manual of Information Relative to the Philippine Civil Service. Compiled and edited in the Bureau of Insular Affairs, containing all laws and orders relating thereto, and full instructions to applicants."

"Report of Charles A. Conant, Special Commissioner on Coinage in the Philippines, which first appeared as an appendix to the report of the Secretary of War."

"Report on Certain Questions in the English and Dutch Colonies in the Orient, by Jeremiah W. Jenks, special commissioner."

Dr. Jeremiah W. Jenks, formerly secretary of the Industrial Commission, was, in August, 1901, given a commission to investigate these subjects in Europe and in the colonial possessions in the Orient, and to make a report thereon after arrival in the Philippines to the Philippine Commission and the Secretary of War, especially as to coinage, labor, taxation, and methods of land tenure. This valuable report comments on these questions in the Philippines, is indexed, printed, and ready for distribution. One feature is of especial interest in that it indorses the conclusions of the other special commissioner, Mr. Conant, and the recommendations of the Philippine Commission and the Secretary of War as to a gold-standard currency in the Philippines. In fact, several experts, heretofore strong adherents to the silver standard, have, in light of recent events and further study of the Philippine situation, become converts to the Philippine government gold-standard plan.

MONTHLY SUMMARIES OF COMMERCE AND IMMIGRATION OF CUBA AND THE PHILIPPINE ISLANDS.

The monthly summaries of commerce have continued to be published to date. The last Cuban summary—May, 1902—gives exhaustive commercial and immigration statistics to include May 19, 1902, the date

of the termination of American occupation. This summary, in addition to the usual monthly data, gives a review of the commerce during the American occupation and comparative statistics by years.

The Philippine summary of December, 1901, gives the same review of the Philippines during American occupation.

These monthly summaries furnished Congress with statistical information while investigating questions relating to the Philippines and Cuba.

Arrangements have been made with the authorities in the Philippines to furnish commercial notes upon the Philippines, which it is trusted will give added interest to these publications.

INSULAR ACCOUNTS.

The new rules and instructions governing the accounting and auditing system in Cuba and in the Philippines, which practically put into force the accounting and auditing system of the United States, adapted by experience to local conditions and with added checks and safeguards, have been given trial for a year, with satisfactory and gratifying results. The statements of receipts and expenditures, by law required to be made to the War Department, as well as the method of handling these accounts after receipt, were explained in the last annual report of this office.

The work laid out by the item quoted in the first part of this report from the last general deficiency bill providing for the bringing up to date of the statements of receipts and expenditures made to the War Department relating to Cuba and the Philippines, for presentation to Congress, is in active progress.

With the exception of a small balance retained by the former military governor of Cuba, for the purpose of closing up the civil business and publish a full report of the military occupation of Cuba, the Cuban accounts have all been audited. The certificates of this audit, rendered to this office, have been compiled, differences reconciled, and, with the exception of the small balance above mentioned, the Cuban work may be said to be ready for presentation.

The work accomplished with reference to Cuba, in pursuance to the special appropriation of \$30,000 in the general deficiency appropriation bill, has been mentioned under the heading of Congressional resolutions and documents. See page 5.

The account of the treasurer, as certified by the auditor, shows that during the period of American occupation there was deposited \$59,806,236.35, and advanced on accountable and settlement warrants \$59,171,066.06.

To Mr. J. D. Terrill, the efficient auditor of the military government in Cuba, who has returned to the Comptroller's Office of the Treasury Department, much credit is due for completing the audit and transmission of statements to the War Department.

The original auditing records of the American occupation, weighing over thirty tons and filling 124 large boxes, have been received in Washington. Through the courtesy of the Director of the United States Census these records have found temporary lodgment in the Census building, where they have been arranged for daily reference, which will undoubtedly be necessary for some time to come.

Under Senate resolutions, mention has been made of Senate document No. 382, publishing a consolidated statement of the civil affairs in the Philippine Islands from August 20, 1898, to June 30, 1901.

During the fiscal years 1899 and 1900 there were received and handled from the auditor of the Philippine Archipelago 758 accounts. It is estimated that fully 2,500 accounts will be certified for the last fiscal year.

The Philippine government reports that due to the great increase of work in establishing a full civil government, which has largely added to the number of bonded disbursing officers throughout the Philippines, the difficulty of securing competent clerks, and other unavoidable causes, it is in arrears on the required certification to the War Department, but on the request of this office, and appreciating the desires of Congress, it has cooperated in every way, by increased appropriation, overtime work, and extra force, not only to catch up to date in the statements, but in the attempt to include to the date of June 30, 1902, the end of the last fiscal year, so that they may be compiled in time to present to Congress before the end of the coming session.

When it is realized that even in the United States audits are generally in arrears six months, that on account of the lack of communication it often takes three months for an account to reach the auditor's office in Manila, and that the constantly fluctuating currency often makes it necessary to handle at once five standards of value, then it may be appreciated that this ambitious task could, with any prospects of success, be undertaken only by men possessing the excellent qualifications demonstrated by Mr. Lawshe, the present auditor.

INSULAR AND UNITED STATES DEPOSITORIES.

Before May of this year the only insular depositories outside of the Philippine treasury have been two English corporations, the Hong-kong and Shanghai Banking Corporation and the Chartered Bank of India, Australia, and China.

On May 15, 1902, by Executive order, the Guaranty Trust Company of New York was appointed a depository for Philippine funds both in the United States and Manila, under bond of \$2,000,000, approved by the Secretary of War. The company qualified May 28, 1902.

On June 21, 1902, the President likewise appointed the International Banking Corporation of Connecticut, with its head office in New York, a depository for Philippine funds, under a bond of the same amount. This company qualified on July 2, 1902. At present the Philippine funds outside of the Philippine treasury are divided equally among these four depositories.

The Treasury Department of the United States Government has appointed the Guaranty Trust Company of New York and the International Banking Corporation of Connecticut fiscal agents of the United States in the Philippines.

Pursuant to section 85 of the act of Congress of July 1, 1902, the Secretary of War and the Secretary of the Treasury designated the treasury of the Philippine Islands as a depository of the public money of the United States. Needful provisions were therefore made for the transmission of United States money other than by actual transportation to Manila and deposit at that place for the expenses of the United States in the Philippines, as well as provision for the deposit of Philippine moneys by the Philippine government, both in the Philippines and in the United States, by the establishment of branches of New York banks in Manila, thus expediting transactions between the United

States and the Philippines, both by the United States and Philippine governments, as well as furthering the commercial relations between these two countries.

The Philippine treasurer's checks, with an excellent vignette of the late General Lawton, have been engraved by the Bureau of Engraving and Printing and supplied to the treasurer of the Philippines, as well as United States depositary checks in the Philippine treasurer's capacity as United States depositary.

PURCHASE OF SUPPLIES IN THE UNITED STATES BY THE PHILIPPINE GOVERNMENT.

By act No. 146, January 21, 1902, the Philippine Commission created the office of insular purchasing agent, which office was charged with the purchase of all supplies required by the various departments and officers of the insular government, by the provincial governments, and the government of the city of Manila under the various appropriations to their respective credits. It has been the policy of the Philippine government to secure in the United States supplies not practically available in the Philippine market. Contracts for public works of magnitude are also advertised in the United States. Manifestly, purchase, payment, and shipment of these supplies, as well as authorized prepayments for transportation for civil appointees, can be more satisfactorily performed by a properly organized agency in the United States. Competition can be invited, following United States Government practices, supplies can be inspected, best prices and cash discounts can be obtained when payment is made here. It frequently happened when payment was made in Manila that settlement checks would not be received for over nine months and sometimes a year.

Such an agency has been created in this Bureau by the appointment by the Philippine Commission of one of the employees of this Bureau as disbursing agent of Philippine revenues, stationed in Washington; also the temporary appointment of a purchasing agent, at present located in New York City.

PURCHASING AGENT.

The appointment of an agent in New York and the organization of that office is but tentative and provisional. This work promises to develop rapidly and become a matter of large proportion and importance, requiring a most careful organization and businesslike methods. The Philippine Commission and this office have given much thought to the matter, and a recent report advises that a law has been recently drafted by the Philippine Commission making the necessary provisions.

DISBURSEMENTS.

The past is the first year in which settlements for purchases in the United States for the insular government have been made through this Bureau.

The total disbursements up to and including the present date amount to \$1,059,954.54, and are in payment of 1,400 accounts.

The work has increased so rapidly that it has been necessary to augment the clerical force, and it promises to so increase that it will be

necessary to further enlarge the force. The disbursing agent pays only such accounts as are approved by the Secretary of War or the Philippine Commission, and he is accountable and makes returns to the auditor for the Philippine Islands.

A complete set of books has been opened, especially adapted to this class of work, showing in detail every transaction—the authority, appropriation, and payment. Every account is so arranged and checked that it can be finally audited without reference to other papers.

By a Philippine executive order, all requisitions for purchases to be made in the United States are issued by the insular purchasing agent in Manila, approved by the civil governor, and referred to this Bureau. After proper entry here, orders for supplies that are not bought directly by the chief of the Bureau are transmitted by copy to the purchasing agent in New York, with the necessary instructions for purchase and shipment. The requisite vouchers and certificates are then forwarded to this office and prepared for payment, and duplicates immediately sent to the proper officials in the Philippines. Thus a double check or audit is had before the final one in Manila.

Purchases are made f. o. b. New York, in order to take advantage of the lowest rates obtainable and discounts usually allowed for cash payments.

The most important accounts disbursed on account of the bureau of public printing in the Philippines are as follows:

Equipment	\$131,474.99
Supplies	92,852.07
Ocean freight	10,638.97
Insurance	582.49
Boxing	156.19
Total	235,704.71

Insular purchasing agent's purchases (located in New York):

School books (302,805)	\$115,648.46
Constabulary:	
Arms and ammunition	87,118.03
Clothing and shoes	19,387.20
Iron for cold-storage and ice plant	49,945.45
Stationery and supplies	29,571.06
Hay and oats	23,263.34
Hardware and miscellaneous merchandise	20,534.13
Engineering instruments and supplies	20,046.97
Typewriters and supplies	15,685.88
School supplies	15,242.49
Hose and belting	13,101.41
Office desks and chairs	10,933.48
Scales, wagons, and trucks	9,024.42
Filing cabinets	8,791.89
Law books for supreme court	6,576.03
Total	444,870.24

OCEAN FREIGHT TRANSPORTATION.

In 1900 the Quartermaster's Department rate from New York to Manila, via Suez, was \$12.60 per ton. The best rate prior to January 9, 1902, that this Bureau could secure was \$11.25 per ton or 40 cubic feet, ship's option. After that date the rate of \$8 was secured, and since March 21, 1902, a rate of \$7.50 per ton or 40 cubic feet with the understanding that all packages, regardless of size and weight, should

be charged for according to their actual weight or ship measurement. This arrangement has already resulted in much saving.

The total amount paid by the disbursing agent for ocean freight charges is \$31,772.68.

MARINE INSURANCE.

Each shipment is insured so as to protect the Philippine government from losses occasioned by damages of any kind—by sea peril, by action of the elements, or negligence of handling or storage.

TRANSPORTATION OF CIVIL EMPLOYEES.

These accounts number 413, showing that transportation has been furnished 1,209 people, costing \$37,802.52. Also 169 accounts have been paid, amounting to \$10,531.50 for sleeping car accommodations.

CABLEGRAM AND TELEGRAM ACCOUNTS.

The total number of cable and telegraph accounts is 117; cost of sending 2,874 messages, total charges amounting to \$40,697.64.

In the verification of the various accounts by the disbursing office deductions to the amount of \$3,477.72 have been made and the accounts submitted for settlement. In the settlement of these accounts more than 3,000 letters and 20,000 pages of matter have been written.

After an inspection of the disbursing agent's accounts made by Colonel Burton, of the Army, August 21, 1902, he closed with a remark, as follows: "This officer's work is commendable for accuracy, integrity, and businesslike methods."

PHILIPPINE CIVIL SERVICE.

This office is charged with the labor in the United States incident to the selection of appointees upon the certification of the United States Civil Service Commission after examination, and the arrangement for their transportation to the Philippines, as well as matters relating to appointments in the corps of teachers, the judiciary, and positions not subject to the requirements of the civil-service law.

The Government's policy, that selections be made on merit alone and according to law, so important, especially so in the past year of the formative period of civil government, has been strictly followed. Careful and complete information as possible has been obtained relative to applicants or eligibles before appointment was tendered.

The law requires that preference in appointments shall be given, first, to citizens of the Philippine Islands, and second, to honorably discharged soldiers, sailors, and marines of the United States, and it has been found possible to fill many of the lower grade positions by the appointment of this preferred class resident in the islands. For this reason the positions in the civil service to which provisional appointment is made, by request of the Philippine Commission, are generally of a scientific or technical character or require mechanical or special qualifications. There is not a surplus of this class of employees in the United States, and the work has been considerably increased by the difficulty at times of securing suitable employees, and

by the declination of appointment of many after submitting to examination by the United States Civil Service Commission. Declinations have largely increased recently, it is believed largely due to the reports of cholera.

It is necessary to guard against the appointment of persons merely willing to accept employment in a spirit of adventure, with the idea of enjoying a long journey at the expense of the Government with the intention of forcing their resignations after a brief period of service. The Philippine Commission passed a law to discourage this spirit, requiring that appointees for whose transportation from the United States any expense has been incurred by the Philippine government shall remain at least two years in the civil service, and that a failure so to do shall debar them from ever again entering the public service of the Philippines. No return transportation is furnished such employees.

Just recognition was given to the civil employees of the Government of American occupation in Cuba, who had rendered lengthy, efficient, and faithful service, by an Executive order making them eligible for transfer to the classified civil service of the United States, and therefore for service in the Philippine Islands. Many of these employees have been appointed to the Philippine service, where their experience gained in Cuba and knowledge of the Spanish language have rendered them peculiarly qualified.

The effect of the wise enactment of the Philippine Commission with reference to cumulative leaves of absence to be spent in the United States is now being felt, in that a considerable number of such employees who have taken advantage of the privilege are returning to the Philippine service.

Owing to the peaceful conditions which now obtain in the islands, a large number of requests for transportation for dependent members of families and fiancées of civil employees are being received. These requests are being honored as fast as the crowded condition of the transport service will permit.

This practice of furnishing free transportation, it is believed, will materially promote contentment of the employees, and give that stability and permanency to the service so much desired.

The army transport service has rendered great aid to the Philippine government, cooperating as it has in every way. During the past year that service has furnished transportation from San Francisco or New York to Manila to 221 Philippine civil employees, to 232 dependent members of families, to 34 fiancées, and to 3 Filipino students, making a total of 690. Of this number, however, about 60 were unable to proceed to Manila, and their transportation canceled.

The present element most necessary to this Philippine civil service, established as it has been on the merit system, is stability and permanency, and anything contributing thereto should be encouraged. The military service recognizes the principle of limited service, with promise of return.

The climate of certain portions of the islands is severe on a few, whose health breaks down without chance of recuperation until return to the United States. Could an executive rule be made providing eligibility for the United States civil service, under proper limitations and safeguards, after faithful service of, say, three years in the islands,

it is believed it would not only be equitable, but materially aid that required stability. However, this matter is under active consideration by the War Department and the United States Civil Service Commission.

THE DISINTERMENT AND BRINGING TO THE UNITED STATES OF THE BODIES OF DECEASED CIVIL EMPLOYEES.

This matter is constantly being brought to the attention of this Bureau by appeals from relatives and friends. There is no appropriation, either of the United States or the Philippine governments, as yet, that makes provision therefor, except that free transportation from Manila to San Francisco is allowed on Government transports, and also that the United States permits bodies of civil employees to be interred in Government cemeteries only when they have had previous military service.

The island service presents so different a situation from the home service that it is suggested that Congress authorize the setting aside of a portion of the national cemetery at San Francisco for this purpose.

CABLEGRAMS.

The new War Department cipher code, completed in the Adjutant-General's Office during the past year, has been used by the Philippine government. As is known, it is a figure code, insuring secrecy, elaborately constructed on the verb plan, and comprehensively providing for many additions. It is an excellent work and has given much satisfaction with great saving of expense, combined as it may be with the old code, which has been retained in service.

Although courteous opportunity was given this office to submit phrases commonly used by the Philippine government, this code was primarily prepared for military purposes, and an additional appendix was prepared in this office involving phrases relating to civil affairs. This appendix has been found so useful in reducing the cost of transmission, that an elaborate revised appendix or supplement is nearing completion, which it is believed will not only facilitate the work upon civil messages, but further decrease the cost. This is a matter of considerable moment when it is taken into account that the official rate, with the considerable reduction secured in the last year, is still \$1.56½ per word.

The cost of cablegrams, under the business of the civil government of the Philippines, which is paid out of Philippine revenues, sent from this Bureau to the Philippines follows:

Year.	Cablegrams.	Cost.
1901	243	\$20, 927. 36
1902	183	17, 445. 64
Total		\$38, 373. 00

LIBRARY OF INSULAR DOCUMENTS.

The attempt to ascertain the course pursued by the Executive departments in respect of the governments of civil affairs of Louisiana, Florida, New Mexico, California, and Alaska upon the acquisition of said

Territories and prior to the establishment of governments therein by Congressional legislation, developed the fact that such documents as remained in existence are practically lost by being indiscriminately mixed with the other Congressional and executive documents pertaining to those periods, and the work of ascertaining the few precedents to be derived from that portion of our history was greatly increased in consequence.

It was deemed wise to provide against a recurrence of the difficulty in respect of the documents relating to our recent acquisitions and to Cuba, and therefore all official publications relating to the work of this Bureau have been bound in volumes of convenient size. Five sets of this compilation are being prepared for the War Department. Much difficulty has been experienced in securing complete sets, each one embracing 4,203 separate publications. Up to date there are 120 bound volumes in each set. It is purposed to add to this library each new publication as issued, and in this way to segregate the record of the work performed by this Bureau from that of the War Department and the mass of publications known as Congressional documents.

These sets are being paged and a card index made of their contents. This compilation, it is believed, will be of much value and will furnish the only official library of the Philippines, Porto Rico, and Cuba extant.

MAP WORK.

This is a comparatively recent addition to the work of this office and was unexpectedly forced upon it, as events moved so rapidly—civil government was extended over provinces within such a short period, schools were established throughout the archipelago, ports were opened—that even the latest maps became out of date within a few weeks.

The first map work undertaken was simply the coloring of a number of maps of the Philippine Islands so as to distinguish the parts that were under civil government from those under military control. A number of these maps were prepared for the Secretary of War and the various committees of Congress.

In January, 1902, the "Insular Division map of the Philippines," without topographical features, but embodying up-to-date civil government and commercial information, was made and printed. The demand for this edition of 600 was so great that it was exhausted in a few weeks, and it was then decided to issue another which should be distinctively a map of this Bureau. This map has just been issued, and contains all the available information relative to ports, schools, provinces, Paris treaty lines, American provincial boundaries, and other data of interest with the exception of topographical features. Arrangements have been made with the civil government for a series of large scale maps, 3 miles to the inch, which will be revised and filled in as fast as the information is received. Comprehensive map work is now in progress in the Philippines. The Coast and Geodetic Survey, with the aid of civil funds, is cooperating with the civil government.

The map section is charged with the collection of maps from all sources for reference.

RECORDS.

The card system is still in use with some minor changes, which were found to result in a betterment. About 30,000 letters and indorse-

ments have been sent and as many received. As an indication of the great variety of subjects handled by this Bureau, the records show that since its formation as a division, and subsequently as a bureau, matters have been referred to it from the following sources: Direct from the President, 496 cases; from the Secretary of State, 843 cases; the Secretary of the Treasury, 586 cases; the Secretary of the Navy, 101 cases; the Secretary of the Interior, 67 cases; the Secretary of Agriculture, 66 cases; Postmaster-General, 55 cases; the Attorney-General, 43 cases; the Spanish Treaty Claims Commission, 299 cases; from 85 United States Senators, involving 488 subjects; from 240 Representatives in Congress, involving 601 subjects.

DOCUMENTS.

The distribution of documents, letters, circulars, reports, translations, and miscellaneous matter relating to insular affairs has been unusually large. In most instances we have been able to supply the active and constantly increasing demand for publications. The supply in many instances has been exhausted. The general mailing list has steadily increased.

The distribution of translations of 32 Spanish laws continues, there having been mailed during the year 18,500 parts and 500 sets embracing a complete collection of the translations. Sixteen thousand copies of the Monthly Summary of Commerce have been mailed. The total number of documents mailed during the year was 130,050.

There are at present on hand about 80 different publications for distribution, the total number of which approximates 35,000 copies, without taking account of leaflets and circulars.

Press bulletins of facts of interest relating to the Philippines are prepared whenever opportunity offers.

PHILIPPINE INSURGENT RECORDS.

These records and captured documents have been recently brought to Washington and loaned to this Bureau by the Adjutant-General's Office for preparation for possible publication.

Capt. John R. M. Taylor, Fourteenth Infantry, who was chief of the division of military information, adjutant-general's office, Division of the Philippines, an office which received these records on their capture or discovery, an officer peculiarly qualified, has been put in charge of this work.

SEPARATE FUNDS IN THE TREASURY OF THE UNITED STATES TO THE CREDIT OF THE PHILIPPINE TREASURY.

Section 2, of the act of March 8, 1902, provides that upon all articles the growth and product of the Philippine Archipelago coming into the United States from the Philippine Archipelago there shall be levied, collected, and paid only 75 per cent of the rates of duty of the "Dingley tariff."

The following are the amounts deposited each month since the passage of the act of March 8, 1902, and held as a separate fund to be paid into the Treasury of the Philippine Islands:

Philippine Islands tariff fund.

March.....	\$1, 903. 01
April.....	3, 551. 91
May.....	2, 261. 91
June.....	1, 310. 79
July.....	2, 167. 21
August.....	2, 144. 83
September.....	1, 843. 41

Total to September 30 15, 183. 07

The smallness of this sum is quite a surprise, in that the estimate, while this bill was under consideration, from the analogy of the amounts collected for the corresponding separate fund to the credit of Porto Rico, and from a study of the statistics of Philippine trade, was that a much greater amount would accrue.

When it is considered that a little over \$15,000 was thus collected in seven months, admitting that the bulk of the sugar and tobacco crops are not generally moved during the above period, the total amount to be anticipated in any one year would probably not be considerable, when it is recalled that the Philippine Government recommended a reduction of 50 per cent of the "Dingley tariff" to Philippine products, and in fact Governor Taft believed the reduction of 75 per cent was warranted in the best interests of the Philippines and the United States.

CLERICAL FORCE.

[Relative efficiency record.]

The keen and capable work of this force is remarkable. The ordinary office hours have generally been ignored. Many of them have grown up with the Bureau and have become experts by the opportunities offered in the new field of their work. Gratifying recognition has been given them by Congress and the Secretary of War in covering them into the classified service, and in grading their salaries according to merit and work performed.

The force has so increased in size that much attention has been given to a practical method of carrying into effect the order of the Secretary of War of February 14, 1902, respecting semiannual efficiency reports. The experience and methods in other bureaus have been considered, and a scheme worked out differing in degrees from all, in which by the aid of blanks providing for a daily, weekly, and monthly report, the several factors, as far as practicable, that go to make up the record of a man's efficiency may be entered.

An efficiency board, consisting of a Bureau officer and the chiefs of divisions, has been convened, which board from time to time passes upon each man's record, aiming to eliminate possible prejudice by chiefs of divisions who keep the blanks, reconcile differences and determine relative efficiency, and otherwise aid the chief of the Bureau in determining the proper result.

RECOMMENDATIONS.

The work accomplished and in contemplation has been indicated in this report. The special appropriation of \$30,000 for the work in arrears on accounts will be exhausted on the completion thereof. The

above-mentioned temporary force of thirty-three will then have to be discharged.

Since the passage of the act which made this office a part of the recognized machinery of the government of the Philippines, enough time has elapsed, and that too in the absence of Congress which greatly increases the work, to make a fair estimate of the daily and monthly work and the clerical force required.

The following additional force for the fiscal year ending June 30, 1901, is believed necessary:

Class III (clerks)	1	
Class II (clerks)	2	
Class I (clerks)	1	
Class E (clerks)	4	
Class D (clerks)	4	
	—	12
Assistant messenger (\$720)	1	
Laborer (\$600)	1	
Laborer (\$300)	1	
	—	3
Total		15

Mention has been made of the temporary arrangement for taking care of the American records of the Cuban audit. In the next six months it is anticipated that the remaining records of American occupation, weighing over 80 tons, which were left in Habana under charge of the agent for the War Department, will be brought to Washington. There is no room in the War Department for them, and no funds available to rent a building.

In the building on the corner of Eighteenth and F streets, there is a force of 48, 17 of whom belong to the permanent force, and for whom there is no room in the War Department proper.

It is therefore believed that \$6,000 will be necessary for the renting of a building for clerks and records for which there is no room in the War Department proper.

A review of the work performed by this Bureau would be incomplete without reference to the large amount of work performed in examining, investigating, and digesting documents, records, and other sources of information, and putting in form for convenient examination by the Secretary such information as is available and useful to him in determining routine and special matters which press for determination daily. The record of these cases may disclose only a cablegram or letter, while the research leading up to the preparation of the cablegram or letter in answer may have occupied several days. Frequently the question presented is so important and urgent as to take unanticipated precedence over all other work.

Respectfully submitted.

CLARENCE R. EDWARDS,
Colonel, U. S. Army, Chief of Bureau.

The SECRETARY OF WAR.

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